

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SALINA, KANSAS**

**FINANCIAL STATEMENT
JUNE 30, 2018**

BFR

BUSBY FORD & REIMER, LLC

CERTIFIED PUBLIC ACCOUNTANTS

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
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JUNE 30, 2018**

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

**Board of Directors
Smoky Hill Central Kansas Education Service Center
Interlocal School District No. 629
Salina, Kansas**

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances of **Smoky Hill Central Kansas Education Service Center Interlocal School District No. 629, Salina, Kansas**, as of and for the year ended **June 30, 2018**, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditors' judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Smoky Hill Central Kansas Education Service Center
Interlocal School District No. 629

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in Note 1 of the financial statement, the financial statement is prepared by **Smoky Hill Central Kansas Education Service Center Interlocal School District No. 629, Salina, Kansas**, to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of **Smoky Hill Central Kansas Education Service Center Interlocal School District No. 629, Salina, Kansas**, as of **June 30, 2018**, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of **Smoky Hill Central Kansas Education Service Center Interlocal School District No. 629, Salina, Kansas**, as of **June 30, 2018**, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual (Regulatory-Required Supplementary Information as listed in the table of contents) and schedule of expenditures of federal awards (Federal Award Information as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement.

**Board of Directors
Smoky Hill Central Kansas Education Service Center
Interlocal School District No. 629**

The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole, on the basis of accounting described in Note 1.

The 2017 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget and individual fund schedules of regulatory basis receipts and expenditures-actual (as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2017 basic financial statement upon which we rendered an unmodified opinion dated October 20, 2017. The 2017 basic financial statement and our accompanying report are not presented herein but are available in electronic form from the web site of the Kansas Department of Administration at the following link <http://da.ks.gov/ar/muniserv/>. Such 2017 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statement. The 2017 comparative information was subjected to the auditing procedures applied in the audit of the 2017 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2017 basic financial statement or to the 2017 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 comparative information is fairly stated in all material respects in relation to the 2017 basic financial statement as a whole, on the basis of accounting described in Note 1.

Busby Ford & Reimer, LLC

Busby Ford & Reimer, LLC
October 19, 2018

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SUMMARY OF CASH RECEIPTS, EXPENDITURES,
AND UNENCUMBERED CASH
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018**

Fund	Beginning	Prior Year	Cash Receipts	Expenditures	Ending	Add	Ending Cash
	Unencumbered	Canceled			Unencumbered	Encumbrances	
	Cash Balance	Encumbrances			Cash Balance	and Accounts Payable	Balance
General Fund	\$ (46,394)	\$ 0	\$ 1,621,230	\$ 1,432,869	\$ 141,967	\$ 620	\$ 142,587
Special Purpose Funds							
Capital Outlay	91,732	0	1,380,000	1,296,076	175,656	0	175,656
Parent Education	0	0	0	0	0	0	0
Career and Postsecondary Education	27	0	179,503	179,530	0	0	0
Federal Funds	108,733	0	424,747	451,433	82,047	1,057	83,104
Domestic Violence Assoc. Grant	1,091	0	1,091	488	1,694	0	1,694
KJCC/LHGS Dept. of Corrections	0	0	2,436,988	2,436,988	0	0	0
LJCC/Westside High School	0	0	0	0	0	0	0
LGHS Miscellaneous Fund	1,880	0	2,004	2,556	1,328	0	1,328
KS Professional Learning Team	20,144	0	66,240	33,250	53,134	0	53,134
Edmentum VP Program	0	0	2,771	2,771	0	0	0
Senate Bill 155 Program	11,077	0	1,803	0	12,880	0	12,880
Fast ForWord	0	0	15,112	15,112	0	0	0
TLC @ Smoky Hill Ed Service Center	10,000	0	184,379	187,420	6,959	73	7,032
St. Francis Academy-Juvenile	0	0	437,237	437,237	0	0	0
St. Francis Academy-Title I	0	0	95,697	95,697	0	0	0
Tipton Community School	2,613	0	505,639	504,710	3,542	109	3,651
Rosetta Stone	(10,310)	0	26,200	15,890	0	0	0
	<u>\$ 190,593</u>	<u>\$ 0</u>	<u>\$ 7,380,641</u>	<u>\$ 7,092,027</u>	<u>\$ 479,207</u>	<u>\$ 1,859</u>	<u>\$ 481,066</u>

Composition of Cash:	Checking Account	\$ 431,042
	Money Market Account	50,024
		<u>\$ 481,066</u>

The notes to the financial statement are an integral part of this statement.

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2018**

Note 1 - Summary of Significant Accounting Policies:

Financial Reporting Entity

Smoky Hill Central Kansas Education Service Center, Interlocal School District No. 629 (the primary government), is an interlocal unified school district established as an interlocal to provide special education services to participating unified school districts. The Interlocal cannot levy taxes but receives its revenue from federal and state aid and contracted participating unified school districts for special education services.

KMAAG Regulatory Basis of Presentation Fund Definitions:

General Fund-The primary operating fund. Used to account for all unrestricted resources except those required to be accounted for in another fund.

Special Purpose Funds-To account for the proceeds of specific receipts (other than major capital projects) that are restricted by law or administrative action to expenditure for specific purposes.

Regulatory Basis of Accounting and Departure from Accounting Principles Generally accepted in the United States of America

The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The Interlocal has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of accounting principles generally accepted in the United States of America and allowing the municipality to use the regulatory basis of accounting.

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2018**

Budget and Assessment Cycle

The Interlocal prepares a budget under the Kansas cash basis and budget laws to determine assessments to member districts and other financial planning purposes.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the Interlocal for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. All unencumbered appropriations (legal budget expenditure authority) lapse at year-end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special purpose funds:

Federal Funds	Domestic Violence Assoc. Grant
KJCC/LHGS Dept. of Corrections	LJCC/Westside High School
LGHS Miscellaneous Fund	KS Professional Learning Team
Edmentum VP Program	Senate Bill 155 Program
Fast ForWord Fund	TLC @ Smoky Hill Ed Serv Center
St. Francis Academy-Juvenile	St. Francis Academy-Title
Tipton Community School	Rosetta Stone

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Note 2 - Postemployment Benefits:

As provided by K.S.A. 12-5040, the Interlocal allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the government under this program.

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2018**

Note 3 - Defined Benefit Pension Plan:

Plan Description

The Interlocal participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 S Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions

K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009 and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate with a 0% moratorium from the period of July 1, 2017 through September 30, 2017 for the Death and Disability Program) and the statutory contribution rate was 8.46% for the fiscal year ended June 30, 2018.

The State of Kansas is required to contribute the statutory required employer's share. Since the Interlocal is considered a special funding situation, the Interlocal was not required to contribute amounts equal to the statutory contribution rate for the year ended June 30, 2018.

Net Pension Liability

The Interlocal is considered a special funding situation. The state contributes 100% of the contractually required employer contributions. However, they do make contributions directly to KPERS for KPERS retirees filling KPERS covered positions per K.S.A. 74-4937, "working after retirement" employees. The resulting proportional share of the "working after retirement" contributions and resulting net pension liability are attributable to the employer. At June 30, 2018, the Interlocal's proportionate share of the collective net pension liability reported by KPERS was \$200,360. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016, which was rolled forward to June 30, 2017. The Interlocal's proportion of the net pension liability was based on the ratio of the Interlocal's contributions to KPERS, relative to the total employer and non-employer contributions of the State/School subgroup within KPERS for the fiscal year ended June 30, 2017. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement.

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2018**

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

Note 4 - Deposits:

K.S.A. 9-1401 establishes the depositories which may be used by the Interlocal. The statute requires banks eligible to hold the Interlocal's funds have a main or branch bank in the county in which the Interlocal is located or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The Interlocal has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the Interlocal's investment of idle funds to time deposits, open accounts and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The Interlocal has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the Interlocal may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Interlocal's deposits may be returned to it. State statutes require the Interlocal's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. All deposits were legally secured at June 30, 2018.

At June 30, 2018, the Interlocal's carrying amount of deposits was \$481,066 and the bank balance was \$441,313. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$300,024 was covered by federal depository insurance and the remaining \$141,289 was collateralized with securities held by the pledging financial institutions' agents in the Interlocal's name.

Note 5 - Compensated Absences:

The Interlocal's policy is to recognize the costs of compensated absences when actually paid. The Interlocal grants annual paid vacations to its full-time, regular employees. Annual vacation is granted based on length of service from ten to fifteen days.

Vacation days cannot be accumulated and payments are not made in lieu of vacation except for unused days at the time of termination of employment.

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
NOTES TO FINANCIAL STATEMENT
JUNE 30, 2018**

Note 6 - Reimbursed Expenses:

The Interlocal records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the expenditures are properly offset by the reimbursements.

Note 7 - Contingencies:

Grant Programs

The Interlocal participates in various federal and state grant programs. These grant programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

Risk Management

The Interlocal is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Interlocal carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not materially exceeded commercial insurance coverage in any of the past three years.

Medicaid Payments

The Interlocal submits reports of time for providing medical services to children with disabilities to a third party. The third party reviews the reports and files claims for Medicaid reimbursement. Medicaid then pays the third party based on Medicaid's determination of allowed payment. The third party retains a percentage of the payment based on an agreement with the Interlocal and remits the remainder approximately monthly for the previous month's claims. Due to adjustments made by both the third party and Medicaid, the actual amount to be received by the Interlocal is undeterminable and has not been recorded. It will be recorded as received.

Note 8 - Debt:

Debt activity for the year ended June 30, 2018 was as follows:

	Principal Amount	Issue Date	Maturity Date	Interest Rate	Balance Beginning of Year	Additions	Reductions/ Payments	Balance End of Year	Interest Paid
Line of Credit	\$ 250,000	9/11/2017	11/30/2018	5.00%	\$ 0	\$ 1,230,000	\$ 1,230,000	\$ 0	\$ 6,444

Note 9 - Subsequent Events:

The Interlocal has evaluated subsequent events through October 19, 2018, the date which the financial statement was available to be issued.

**REGULATORY REQUIRED
SUPPLEMENTARY INFORMATION**

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018**

Fund	Certified Budget	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance - Over (Under)
General Fund	\$ 3,418,800	\$ 0	\$ 3,418,800	\$ 1,432,869	\$ (1,985,931)
Special Purpose Funds					
Capital Outlay	802,750	1,230,000	2,032,750	1,296,076	(736,674)
Parent Education	0	0	0	0	0
Career and Postsecondary Education	292,401	0	292,401	179,530	(112,871)
Federal Funds	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	451,433	XXXXXXXXXX
Domestic Violence Assoc. Grant	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	488	XXXXXXXXXX
KJCC/LHGS Dept. of Corrections	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	2,436,988	XXXXXXXXXX
LJCC/Westside High School	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
LGHS Miscellaneous Fund	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	2,556	XXXXXXXXXX
KS Professional Learning Team	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	33,250	XXXXXXXXXX
Edmentum VP Program	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	2,771	XXXXXXXXXX
Senate Bill 155 Program	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	0	XXXXXXXXXX
Fast ForWord	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	15,112	XXXXXXXXXX
TLC @ Smoky Hill Ed Service Center	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	187,420	XXXXXXXXXX
St. Francis Academy-Juvenile	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	437,237	XXXXXXXXXX
St. Francis Academy-Title I	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	95,697	XXXXXXXXXX
Tipton Community School	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	504,710	XXXXXXXXXX
Rosetta Stone	XXXXXXXXXX	XXXXXXXXXX	XXXXXXXXXX	15,890	XXXXXXXXXX
	<u>\$ 4,513,951</u>	<u>\$ 1,230,000</u>	<u>\$ 5,743,951</u>	<u>\$ 7,092,027</u>	<u>\$ (2,835,476)</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

<u>General Fund</u>	<u>Current Year</u>		Variance - Over (Under)
	Prior Year Actual	Actual Budget	
Cash Receipts			
Local Sources	\$ 1,528,013	\$ 1,621,230 \$ 3,737,874	\$ (2,116,644)
	<u>1,528,013</u>	<u>1,621,230 \$ 3,737,874</u>	<u>\$ (2,116,644)</u>
Expenditures			
Instruction	606,810	568,979 \$ 2,093,754	\$ (1,524,775)
General Administration	911,160	863,890 955,258	(91,368)
Operations & Maintenance	0	0 369,788	(369,788)
	<u>1,517,970</u>	<u>1,432,869 \$ 3,418,800</u>	<u>\$ (1,985,931)</u>
Receipts Over (Under) Expenditures	10,043	188,361	
Unencumbered Cash, Beginning	(57,902)	(46,394)	
Prior Year Canceled Encumbrances	<u>1,465</u>	<u>0</u>	
Unencumbered Cash, Ending	<u>\$ (46,394)</u>	<u>\$ 141,967</u>	

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

<u>Capital Outlay Fund</u>	Prior Year	<u>Current Year</u>		Variance -
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
Cash Receipts				
Local Sources	\$ 1,495,000	\$ 1,380,000	\$ 800,000	\$ 580,000
	<u>1,495,000</u>	<u>1,380,000</u>	<u>\$ 800,000</u>	<u>\$ 580,000</u>
Expenditures				
General Administration	1,499,312	1,296,076	\$ 802,750	\$ 493,326
Adjustment for Qualifying Budget				
Credits	<u>0</u>	<u>0</u>	<u>1,230,000</u>	<u>(1,230,000)</u>
	<u>1,499,312</u>	<u>1,296,076</u>	<u>\$ 2,032,750</u>	<u>\$ (736,674)</u>
Receipts Over (Under) Expenditures	(4,312)	83,924		
Unencumbered Cash, Beginning	96,044	91,732		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 91,732</u>	<u>\$ 175,656</u>		

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

<u>Parent Education Fund</u>	<u>Current Year</u>			
	<u>Prior Year</u>			<u>Variance -</u>
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
Cash Receipts				
Local Sources	\$ 10,009	\$ 0	\$ 0	\$ 0
Federal Sources	586	0	0	0
	<u>10,595</u>	<u>0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Expenditures				
Instruction	10,913	0	\$ 0	\$ 0
General Administration	2,193	0	0	0
	<u>13,106</u>	<u>0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Receipts Over (Under) Expenditures	(2,511)	0		
Unencumbered Cash, Beginning	1,073	0		
Prior Year Canceled Encumbrances	<u>1,438</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>		

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES -
ACTUAL AND BUDGET
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

<u>Career and Postsecondary Education Fund</u>	<u>Current Year</u>			Variance - Over (Under)
	Prior Year Actual	Actual	Budget	
Cash Receipts				
Federal Sources	\$ 176,861	\$ 179,503	\$ 291,397	\$ (111,894)
	<u>176,861</u>	<u>179,503</u>	<u>\$ 291,397</u>	<u>\$ (111,894)</u>
Expenditures				
Instruction	45,504	38,152	\$ 0	\$ 38,152
General Administration	<u>131,357</u>	<u>141,378</u>	<u>292,401</u>	<u>(151,023)</u>
	<u>176,861</u>	<u>179,530</u>	<u>\$ 292,401</u>	<u>\$ (112,871)</u>
Receipts Over (Under) Expenditures	0	(27)		
Unencumbered Cash, Beginning	27	27		
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>		
Unencumbered Cash, Ending	<u>\$ 27</u>	<u>\$ 0</u>		

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

<u>Federal Funds</u>		
	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 6,750	\$ 15,750
Federal Sources	<u>410,207</u>	<u>408,997</u>
	<u>416,957</u>	<u>424,747</u>
Expenditures		
Instruction	132,196	277,257
General Administration	<u>174,036</u>	<u>174,176</u>
	<u>306,232</u>	<u>451,433</u>
Receipts Over (Under) Expenditures	110,725	(26,686)
Unencumbered Cash, Beginning	(6,090)	108,733
Prior Year Canceled Encumbrances	<u>4,098</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 108,733</u>	<u>\$ 82,047</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
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SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
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(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

Domestic Violence Assoc. Grant

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 727	\$ 1,091
	<u>727</u>	<u>1,091</u>
Expenditures		
General Administration	<u>0</u>	<u>488</u>
	<u>0</u>	<u>488</u>
Receipts Over (Under) Expenditures	727	603
Unencumbered Cash, Beginning	364	1,091
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 1,091</u>	<u>\$ 1,694</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
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SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
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FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

KJCC/LHGS Dept. of Corrections

	<u>Prior Year Actual</u>	<u>Current Year Actual</u>
Cash Receipts		
Local Sources	<u>\$ 1,752,660</u>	<u>\$ 2,436,988</u>
	<u>1,752,660</u>	<u>2,436,988</u>
Expenditures		
Instruction	1,299,143	1,659,089
General Administration	<u>453,517</u>	<u>777,899</u>
	<u>1,752,660</u>	<u>2,436,988</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	0	0
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
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(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

LJCCC/Westside High School

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 832,191	\$ 0
	<u>832,191</u>	<u>0</u>
Expenditures		
Instruction	695,490	0
General Administration	136,701	0
	<u>832,191</u>	<u>0</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	0	0
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

LGHS Miscellaneous Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 12,684	\$ 2,004
	<u>12,684</u>	<u>2,004</u>
Expenditures		
General Administration	<u>11,268</u>	<u>2,556</u>
	<u>11,268</u>	<u>2,556</u>
Receipts Over (Under) Expenditures	1,416	(552)
Unencumbered Cash, Beginning	464	1,880
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 1,880</u>	<u>\$ 1,328</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
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(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

KS Professional Learning Team

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 49,680	\$ 66,240
	<u>49,680</u>	<u>66,240</u>
Expenditures		
General Administration	<u>40,680</u>	<u>33,250</u>
	<u>40,680</u>	<u>33,250</u>
Receipts Over (Under) Expenditures	9,000	32,990
Unencumbered Cash, Beginning	11,144	20,144
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 20,144</u>	<u>\$ 53,134</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
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(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

Edmentum VP Program

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 0	\$ 2,771
	<u>0</u>	<u>2,771</u>
Expenditures		
General Administration	0	2,771
	<u>0</u>	<u>2,771</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	0	0
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
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(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

Senate Bill 155 Program

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 513	\$ 1,803
	<u>513</u>	<u>1,803</u>
Expenditures		
General Administration	<u>1,397</u>	<u>0</u>
	<u>1,397</u>	<u>0</u>
Receipts Over (Under) Expenditures	(884)	1,803
Unencumbered Cash, Beginning	11,961	11,077
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 11,077</u>	<u>\$ 12,880</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
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(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

Fast ForWord Fund

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 29,056	\$ 15,112
	<u>29,056</u>	<u>15,112</u>
Expenditures		
General Administration	<u>29,056</u>	<u>15,112</u>
	<u>29,056</u>	<u>15,112</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	0	0
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

TLC @ Smoky Hill Ed Service Center

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 236,936	\$ 184,379
	<u>236,936</u>	<u>184,379</u>
Expenditures		
Instruction	83,370	68,548
General Administration	106,535	118,872
	<u>189,905</u>	<u>187,420</u>
Receipts Over (Under) Expenditures	47,031	(3,041)
Unencumbered Cash, Beginning	(37,031)	10,000
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 10,000</u>	<u>\$ 6,959</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

St. Francis Academy-Juvenile

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 414,399	\$ 437,237
	<u>414,399</u>	<u>437,237</u>
Expenditures		
Instruction	238,990	289,952
General Administration	175,409	147,285
	<u>414,399</u>	<u>437,237</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	0	0
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

St. Francis Academy-Title I

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 76,512	\$ 95,697
	<u>76,512</u>	<u>95,697</u>
Expenditures		
Instruction	59,989	94,671
General Administration	<u>16,523</u>	<u>1,026</u>
	<u>76,512</u>	<u>95,697</u>
Receipts Over (Under) Expenditures	0	0
Unencumbered Cash, Beginning	0	0
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 0</u>	<u>\$ 0</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

Tipton Community School

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 502,630	\$ 505,639
	<u>502,630</u>	<u>505,639</u>
Expenditures		
Instruction	478,389	479,675
General Administration	<u>22,301</u>	<u>25,035</u>
	<u>500,690</u>	<u>504,710</u>
Receipts Over (Under) Expenditures	1,940	929
Unencumbered Cash, Beginning	673	2,613
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ 2,613</u>	<u>\$ 3,542</u>

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF CASH RECEIPTS AND EXPENDITURES - ACTUAL
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FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Actual Totals for the Prior Year Ended June 30, 2017)**

Rosetta Stone

	Prior Year Actual	Current Year Actual
Cash Receipts		
Local Sources	\$ 34,690	\$ 26,200
	<u>34,690</u>	<u>26,200</u>
Expenditures		
General Administration	45,000	15,890
	<u>45,000</u>	<u>15,890</u>
Receipts Over (Under) Expenditures	(10,310)	10,310
Unencumbered Cash, Beginning	0	(10,310)
Prior Year Canceled Encumbrances	<u>0</u>	<u>0</u>
Unencumbered Cash, Ending	<u>\$ (10,310)</u>	<u>\$ 0</u>

FEDERAL AWARD INFORMATION

**SMOKY HILL CENTRAL KANSAS EDUCATION SERVICE CENTER
INTERLOCAL SCHOOL DISTRICT NO. 629
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

Grant Title	Federal CFDA No.	Program Amount	Unencumbered Cash 7-1-17	Receipts	Expenditures	Unencumbered Cash 6-30-18
<u>(Passes Through Kansas Department of Education)</u>						
Department of Education						
Special Education Grants to States	84.027	\$ 80,900	\$ 6,173	\$ 80,900	\$ 38,164	\$ 48,909
Career and Technical Education-Basic Grants to States	84.048	291,397	27	291,397	291,424	0
English Language Acquisition State Grants	84.365	12,565	0	12,565	12,565	0
Improving Teacher Quality State Grants	84.367	9,959	(543)	9,959	9,959	(543)
Student Support and Academic Enrichment Program	84.424	28,515	0	28,515	25,877	2,638
		<u>423,336</u>	<u>5,657</u>	<u>423,336</u>	<u>377,989</u>	<u>51,004</u>
<u>(Passes Through Kansas Juvenile Correctional Complex)</u>						
Department of Education						
Title I Grants to Local Educational Agencies	84.010	<u>165,164</u>	<u>103,103</u>	<u>165,164</u>	<u>245,919</u>	<u>22,348</u>
 Total Federal Awards		<u>\$ 588,500</u>	<u>\$ 108,760</u>	<u>\$ 588,500</u>	<u>\$ 623,908</u>	<u>\$ 73,352</u>